



BOARD OF TRUSTEES POLICIES

Subject: Board of Trustees Code of Conduct Policy			Policy No.: 102
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PURPOSE

The purpose of this policy is to define the standards to which the members of the Board of Trustees (BOT) hold themselves.

ACCOUNTABILITY

The Jemez Mountains Electric Cooperative, Inc. (JMEC) Board of Trustees is accountable for ensuring implementation of and adherence to this policy.

The BOT must ensure that all its dealings are above reproach— with members/customers, other Board of Trustees members, JMEC employees, and in the communities served by JMEC.

SCOPE

The JMEC Board of Trustees is committed to ethical behavior and legal compliance. Members of the JMEC Board of Trustees are expected to observe both the letter and spirit of the law and applicable JMEC policies in every transaction.

Bylaws of Jemez Mountains Electric Cooperative, Inc.

Article XI Miscellaneous, Section 3. Policies, Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation, the lawful regulations of the New Mexico Public Service Commission, or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

POLICY

While this set of standards cannot address every conceivable circumstance that might present an ethical challenge members of JMEC's Board of Trustees may encounter, the following principles and expected behaviors will ensure that JMEC's Board of Trustees operates in a highly ethical manner. The following principles provide a framework for ethical decision-making. It is the responsibility of all members of the BOT to familiarize themselves with all applicable laws, regulations, organizational policies, and procedures that may affect them.

Members of the Board of Trustees are held to three standards of conduct:

1. *Duty of obedience*

Decisions must be based on applicable laws to ensure that they and JMEC do not engage in illegal or improper actions. At all times, Board of Trustees members shall treat others with respect, communicating openly and honestly while respecting the need for confidentiality whenever appropriate. The Board of Trustees members shall ensure that JMEC is a harassment-free workplace. The Board of Trustees ensures compliance with various types of regulatory requirements, rules and regulations of multiple state and federal regulatory agencies regarding customer rates, terms and conditions for service, system integrity and safety, etc. The Board of Trustees must ensure compliance with key organizations, including the Public Regulation

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Commission, RUS, CFC, and CoBank, and any other applicable financial institutions.

2. Duty of care

Board of Trustees members exercise control jointly over JMEC on behalf of the cooperative; must understand the character of JMEC, and be familiar with standards upon which to establish policies, which must be well-communicated with the membership; must have a clear understanding of financial documents, performance measures, and short- and long-term consequences of decisions; must determine and distribute patronage capital to find a balance between monetary returns to members versus additions to JMEC's equity. Information that JMEC maintains on behalf of its employees, members/customers, suppliers, or other representatives that hasn't been publicly disclosed should be treated as confidential. The Board of Trustees demonstrates environmental stewardship by protecting assets and natural resources in general, and specifically in the communities served by JMEC.

- 3. Duty of loyalty** – as fiduciaries, members of the BOT must not put themselves in a position where their interests and duties conflict with the duties they owe to JMEC; their actions must be transparent and accountable to members and JMEC; BOT members must act honestly and in good faith to avoid placing themselves in a precarious position; all questions should be addressed openly and honestly to ensure that actions are in the best interests of JMEC. All JMEC members of the Board of Trustees must disclose any actual or potential conflicts of interest; maintain transparency. Members of the JMEC Board of Trustees are prohibited from seeking or receiving personal gain from vendors, suppliers, or contractors, either directly or indirectly, whether actual or perceived. Accepting or extending gifts, gratuities, or invitations can create or appear to create a sense of obligation or appearance of favoritism. Members of the BOT for JMEC take personal accountability for themselves and their actions and are ultimately accountable to the members. JMEC does not tolerate retaliation against anyone who, in good faith, reports an actual violation of law or these principles.

- 4.** Trustees who violate this policy by acting disorderly or disruptive before, during or immediately after board meetings; monopolizes board meeting comments; misrepresents other director comments or board actions; misrepresent facts important to board or Cooperative action; fails to disclose information material to board or Cooperative action; actively opposes a board action; makes defamatory statements about the board, board members, employees or the Cooperative; disparages or criticizes the Cooperative, disparages or criticizes the Cooperative's employees, consultants, or other board members; discloses confidential documents or information; refuses, without reasonable justification, to rely on expert information and advice; without authorization, represents himself or herself as speaking on behalf of the Cooperative; refuses, without reasonable justification, to participate in strategic planning for the Cooperative; refuses, without reasonable justification, to participate in the evaluation of the GM/CEO or other senior management; or fails to act in good faith and or in the best interest of the Cooperative will be subject to board action. The President may use a progressive process in handling a trustee who violates this policy. A progressive process may include the President or Attorney reminding a trustee of his/her violation of this policy or may use Robert's Rules of Order Newly Revised "Robert's Rules", which prescribes guidelines for orderly conduct by trustees and procedures for addressing disorderly conduct by trustees. The President may instruct the Secretary to identify a disorderly trustee and record the objectionable or disorderly words used by that trustee. In the event it's the President who violates this policy, the Vice-President will handle



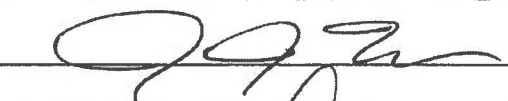
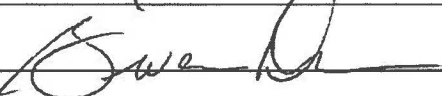
Electric Cooperative, Inc.

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the progressive process. If a trustee continues to violate this policy before, during or after a board meeting, the President may ask for Board action to include, but not limited to:

- board censure;
- official reprimand;
- decrease or withholding of trustee compensation;
- decrease or withholding of trustee reimbursement for participating in education and training courses, conferences and events;
- decrease or withholding of trustee expense reimbursement for attending state or national association meetings; or
- removing trustee from all board committees.

	Chairman of the Board	Date: <u>3/18/16</u>
	Policy Committee Chair	Date: <u>3/18/16</u>